

IN THE MATTER OF: \* BEFORE

CAREONE SERVICES, INC., \* THE MARYLAND COMMISSIONER

Respondent. \* OF FINANCIAL REGULATION

## SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (this "Agreement") is entered into this 28<sup>th</sup> day of October, 2009, by and between the MARYLAND COMMISSIONER OF FINANCIAL REGULATION (the "Commissioner") and CAREONE SERVICES, INC. ("Respondent").

WHEREAS, Respondent is a debt management company which has an application for a license under the Maryland Debt Management Services Act, Md. Code Ann., Fin. Inst. (“FI”) § 12-901 *et seq.* (“DMSA”), pending before the Commissioner (the “Application”); and

WHEREAS, the Commissioner alleges that Respondent engaged in unlicensed debt management services activity in Maryland during the calendar years 2006, 2007, and 2008 in violation of the DMSA, as follows:

A. Respondent entered into debt management service agreements with consumers residing in other states in which Respondent was licensed or otherwise qualified to perform debt management services; and

B. Some consumers thereafter moved to Maryland and became residents of this state (the “Consumers”); and

C. Respondent accepted and disbursed to creditors at least two (2) payments for, and collected debt management services fees (“Fees”) from, each of twenty-three (23) Consumers, which the Commissioner alleges violated FI § 12-906 (“Subject Consumers”); and

D. The names and addresses of the Subject Consumers and the amount of Fees Respondent collected from them with respect to the second and any following disbursements to creditors after establishing Maryland residency are as follows:

	<u>Fee Amount</u>	<u>Last Name</u>	<u>First Name</u>	<u>Street</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
<u>1.</u>	<u>\$245.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>2.</u>	<u>\$180.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>3.</u>	<u>\$57.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>4.</u>	<u>\$110.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>5.</u>	<u>\$72.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>6.</u>	<u>\$120.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>7.</u>	<u>\$90.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>8.</u>	<u>\$300.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>9.</u>	<u>\$600.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>10.</u>	<u>\$78.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>11.</u>	<u>\$150.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>12.</u>	<u>\$330.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>13.</u>	<u>\$112.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>14.</u>	<u>\$225.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>15.</u>	<u>\$200.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>16.</u>	<u>\$300.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>17.</u>	<u>\$240.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>18.</u>	<u>\$200.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>19.</u>	<u>\$600.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>20.</u>	<u>\$150.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>21.</u>	<u>\$200.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>22.</u>	<u>\$150.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<u>23.</u>	<u>\$200.00</u>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>\$4,909.00</u>	<u>Total</u>					

WHEREAS, Respondent does not admit to any of the alleged violations set forth herein or to any wrongdoing and instead affirmatively denies the same, but desires to avoid the cost of a hearing and potential court proceedings resulting from a litigated disposition of this matter; and

WHEREAS, the Commissioner desires to avoid the cost to the taxpayers of a hearing and potential court proceedings resulting from a litigated disposition of this matter; and

WHEREAS, Respondent acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing on the allegations set forth herein, pursuant to FI § 12-927 and the Maryland Administrative Procedures Act (Md. Code Ann., State

Gov't. § 10-201 *et seq.*), and hereby waives its right to a hearing. Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel in connection with its waiver of rights and the negotiation and execution of this Agreement and has, in fact, consulted with its own counsel.

**NOW, THEREFORE,** it is, by the Maryland Commissioner of Financial Regulation, hereby:

ORDERED that Respondent shall, within fifteen (15) days from the date of this Agreement, refund to each of the Subject Consumers identified above the Fees itemized in Recital D above, the total being \$4,909.00 (the "Refund"). Respondent shall mail the refunds to the Subject Consumers via U.S. First Class Mail at the addresses listed above or at any more recent address known to Respondent. If the mailing of a payment is returned as undeliverable by the U.S. Postal Service, Respondent shall promptly notify the Office of the Commissioner in writing for further instruction as to the means of the making of said payment. Upon the making of a required payment, Respondent shall furnish evidence of the making of said payment to the Office of the Commissioner at the beginning of each calendar month following receipt of such evidence, which evidence shall consist of a copy of the front and back of the cancelled check for the payment; and it is further

ORDERED that Respondent shall pay to the Commissioner, by cashier's or certified check made payable to the "Commissioner of Financial Regulation" a civil penalty in the amount of \$23,000 (the "Civil Penalty") within fifteen (15) days from the date of this Agreement. Respondent shall send the Civil Penalty to the following address: Commissioner of Financial Regulation, 500 North Calvert Street, Baltimore, Maryland 21202, Attn: Suzanne Elbon, Administrator. The payment of the Civil Penalty and the Refund will constitute full and

complete satisfaction of any penalties, restitution, or other amount or payment that may have been assessed against the Respondent by the Commissioner as a result of Respondent performing debt management services for the Consumers in violation of FI § 12-906 prior to the date hereof; and it is further

ORDERED that Respondent shall notify the Commissioner in writing, at the address listed above, of any administrative enforcement action to which Respondent is subject, whether it be formal or informal, and any civil or criminal judgment entered against it, together with a copy of any document memorializing the administrative action, or any civil or criminal judgment, within five (5) business days of the issuance of same.

This matter shall be resolved in accordance with the terms of this Agreement which shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, but represents a negotiated settlement of a disputed claim and does not constitute a formal administrative action by the Commissioner against Respondent.

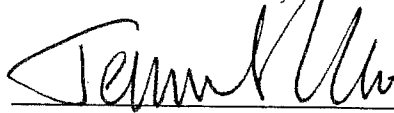
IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed on the day and year first above written.



Sarah Bloom Raskin  
Commissioner of Financial Regulation

CAREONE SERVICES, INC.

By:



Jennifer Realo, Executive Vice President